IN THE CLAIMS:

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29. **(Newly Added)** A method for coding a video signal comprising:

receiving rectangular blocks of image data, each block including rows of pixels forming a pixel array with rows and columns, with pixels of one row of said array forming an upper designated row, pixels of another row of said array forming a lower designated row, pixels of one column of said array forming a left designated column, and pixels of another column of array forming a right designated column;

processing the image data of at least one block by transposing some, but not all, of the pixels of the designated rows and columns of said at least one block with the designated rows and columns of adjacent other blocks of image data, thereby forming a modified block of image data; and

transforming the image data of said modified block to form transform coefficients representative of said modified block of image data.

30. (Newly Added) The method of claim **29** where said upper designated row of said block is the upper-most row of said block, the lower designated row of said block is the lower-most row of said block, the left designated column of said block is the left-most column of said block, and the right designated column of said block is the right-most column of said block.

31. (Newly Added) The method of claim **29** where approximately half of the pixels in said designated rows and columns are transposed.

32. (Newly Added) The method of claim **29** where

said step of receiving blocks of image data receives blocks that derive from an image that was partitioned into an rectangular array of pixel blocks, thereby creating an upper neighboring block, a lower neighboring block, a left neighboring block and a right neighboring block for most of said blocks, and

said step of transposing pixels in the upper designated row of said block is with pixels in the upper neighboring block, transposing pixels in the lower designated row of said block is with pixels in the lower neighboring block, transposing pixels in the left designated column is with pixels in the left neighboring block, and transposing pixels in the right designated column is with pixels in the right neighboring block.

33. (Newly added) The method of claim **29** where

said step of receiving blocks of image data receives blocks that derive from an image that was partitioned into an rectangular array of pixel blocks, thereby creating an upper neighboring block, a lower neighboring block, a left neighboring block and a right neighboring block for most of said blocks, and

said step of transposing pixels in the upper designated row of said block is mostly with pixels in the upper neighboring block, transposing pixels in the lower designated row of said block is mostly with pixels in the lower neighboring block, transposing pixels in the left designated column is mostly with pixels in the left neighboring block, and transposing pixels in the right designated column is mostly with pixels in the right neighboring block.